MAGELLAN

STATEMENT OF FINANCIAL POSITION

AS OF: September 30, 2007

ASSETS

| | 13 | |
|---|---|--|
| | CURRENT ASSETS | |
| 101 | Cash (Disclose on Schedule A) | \$26,412,880 |
| 102 | Current Investments | - |
| 103 | Accounts Receivable (net) (Disclose on Schedule A) | \$11,854,142 |
| | Notes Receivable (current portion) | - |
| | Prepaid Expenses | 3,572,160 |
| | Other Current Assets (Disclose on Schedule A) | \$1,243,349 |
| | Total Current Assets | \$43,082,531 |
| 107 | Total Culterit Assets | Ψ43,002,331 |
| | NON CURRENT ACCETS | |
| 400 | NON-CURRENT ASSETS | |
| | Land | - |
| | Building | |
| | Leasehold Improvements | 3,267,619 |
| | Furniture and Equipment | 6,847,518 |
| 112 | Vehicles | |
| | Total Property and Equipment | \$10,115,137 |
| 114 | Less: Accumulated Depreciation | 519,670 |
| 115 | Net Property and Equipment | \$9,595,467 |
| 116 | Notes Receivable (net of current portion) | - |
| 117 | Performance Bond (Disclose on Schedule A) | - |
| | Long Term Investments | - |
| | Deposits | _ |
| | Other Noncurrent Assets (Disclose on Schedule A) | \$439,043 |
| | Total Noncurrent Assets | \$10,034,510 |
| 121 | Total Norloan Chit / 185615 | Ψ10,004,010 |
| 122 | TOTAL ASSETS | \$53,117,041 |
| 122 | TOTAL ASSETS | \$33,117,041 |
| | | |
| | | |
| .IABI | LITIES AND NET ASSETS/EQUITY | |
| .IABI | LITIES AND NET ASSETS/EQUITY CURRENT LIABILITIES | |
| | CURRENT LIABILITIES | \$7,659,007 |
| 201 | <u>CURRENT LIABILITIES</u> Incurred But Not Reported Claims (Disclose on Sch. A) | \$7,659,007 149,838 |
| 201 202 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims | 149,838 |
| 201 202 203 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) | 149,838 \$884,414 |
| 201 202 203 204 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers | 149,838 \$884,414 108,086 |
| 201 202 203 204 205 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable | 149,838 \$884,414 |
| 201 202 203 204 205 206 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits | 149,838 \$884,414 108,086 |
| 201 202 203 204 205 206 207 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) | 149,838 \$884,414 108,086 1,510,000 |
| 201 202 203 204 205 206 207 208 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) | 149,838 \$884,414 108,086 |
| 201 202 203 204 205 206 207 208 209 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable | 149,838 \$884,414 108,086 1,510,000 - - \$0 |
| 201 202 203 204 205 206 207 208 209 210 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 |
| 201 202 203 204 205 206 207 208 209 210 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable | 149,838 \$884,414 108,086 1,510,000 - - \$0 |
| 201 202 203 204 205 206 207 208 209 210 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 |
| 201 202 203 204 205 206 207 208 209 210 211 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities (Disclose on Schedule A) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities (Disclose on Schedule A) | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities (Disclose on Schedule A) Total Noncurrent Liabilities | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities TOTAL LIABILITIES | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 \$2,059,103 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities TOTAL LIABILITIES NET ASSETS/EQUITY Unrestricted Net Assets | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities TOTAL LIABILITIES NET ASSETS/EQUITY | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 \$2,059,103 \$41,111,610 12,005,431 |
| 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities TOTAL LIABILITIES NET ASSETS/EQUITY Unrestricted Net Assets | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 \$2,059,103 \$41,111,610 12,005,431 |
| 201 202 203 204 205 206 207 208 210 211 212 213 214 215 | CURRENT LIABILITIES Incurred But Not Reported Claims (Disclose on Sch. A) Reported But Unpaid Claims Payable to ADHS (Disclose on Schedule A) Other Amounts Payable to Providers Trade Accounts Payable Accrued Salaries and Benefits Long-term Debt (current portion) Deferred Revenue (Disclose on Schedule A) Risk Pool Payable Other Current Liabilities (Disclose on Schedule A) Total Current Liabilities NON-CURRENT LIABILITIES Long-term debt (net of current portion) Loss Contingencies (Disclosed on Schedule A) Other Noncurrent Liabilities TOTAL LIABILITIES NET ASSETS/EQUITY Unrestricted Net Assets | 149,838 \$884,414 108,086 1,510,000 - - \$0 - \$28,741,162 \$39,052,507 - \$0 \$2,059,103 \$2,059,103 \$41,111,610 12,005,431 |

MAGELLAN STATEMENT OF CASH FLOWS YEAR TO DATE FOR PERIOD ENDED:

September 30, 2007

| CASH FLOWS FROM OPERATING ACTIVITIES: | |
|---|----------------|
| Changes in Net Assets | (2,994,669) |
| Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to | |
| Net Cash Provided (Used) by Operating Activities: | |
| Depreciation and Amortization | 519,670 |
| Changes in Operating Assets and Liabilities | |
| (Increases)/Decreases in Assets: | |
| Current Investments | - |
| Receivables | (\$11,854,142) |
| Inventory & Prepaid Expenses | (3,572,160) |
| Interest Receivable | - |
| Deposits | (439,042) |
| Other | (1,243,350) |
| Increases/(Decreases) in Liabilities: | |
| IBNR | 7,659,007 |
| RBUC | 149,838 |
| Accounts Payable to ADHS | 884,414 |
| Accounts Payable to Providers | 108,086 |
| Interest Payable | - |
| Trade Accounts Payable | 1,510,000 |
| Accrued Salaries & Benefits | <u>-</u> |
| Other Current Liabilities | \$28,741,162 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 19,468,814 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from Sale of Property & Equipment | - |
| Purchases of Property & Equipment | (10,115,137) |
| Proceeds from Sales of Investments | - |
| Purchase of Investments | - |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (10,115,137) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Acquisition of Debt (Describe on Schedule A) | - |
| Payment of Lease Obligations | <u>-</u> |
| Payment of Other Debts (Describe on Schedule A) | _ |
| Additional Paid-In Capital from Parent Company | 15,000,000 |
| Issuance of Common Stock | 100 |
| NET CACH PROVIDED (LICER) BY FINANCING ACTIVITIES | 45,000,400 |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | 15,000,100 |
| NET INCREASE/(DECREASE) IN CASH | 24,353,777 |
| BEGINNING CASH | |
| ENDING CASH BALANCE * | 24 252 777 |
| | 24,353,777 |

*NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET

September 30, 2007

| | TXIX CHILD | TXIX CMDP TX | AIX DD CHII D | NTXIX/XXI | TXXI CHILD HB | 3003 CHII D | TYIY SMI T | (IV DD ADIII T NI | FYIY/YYI SMI L | IIEA II SMI TY | YIADIIIT S | SDI-TMC T | (IV CMUSA HI | EA II GMH | MENTAL SI HEALTH | UBSTANCE ABUSE | PREVENTION INTERVENTION | PASRR | ADHS D | , , | THER S | UB TOTAL | PROGRAM ADMIN/MGMT/ GEN | TOTAL |
|---|---------------------|---------------------|------------------|------------------|------------------|-------------|---------------------|-------------------|---------------------|--------------------|------------|-------------|---------------------|-----------------|---------------------|--------------------|-------------------------|-------|--------|--------------|--------|-------------------------|-------------------------------|-------------------------|
| DISCLOSURE OF OTHER ADHS REVENUE | TAIA CHILD | TAIA CIVIDE 17 | XIX DD CHILD | CHILD | TAXI CHILD HB | 2003 CHILD | TAIA SMIL TA | CIX DD ADOLT NI | I AIA/AAI SMII F | IIFA II SMII I I A | ATADOLT 3 | SDI-TNIC 17 | UX GWIHSA HI | FA II GMIH | HEALTH | ABUSE | INTERVENTION | FASKK | ADHO D | 000 | INEK 3 | OB TOTAL | GEN | TOTAL |
| | | | | | | | | | | | | | | | | | | | | | | 0 | | 0 |
| Total Other - Other Column | | | | | | | | | | | | | | | | | | | | | 0 | 0 | | 0 |
| DISCLOSURE OF OTHER GRANTS REPORTED ON | | | | | | | | | | | | | | | | | | | | | | | | |
| LINE 402 Itemization of Items Reported on Line 402 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Other Grants | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 | 0 | 0 | 0 0 0 | 0 | 0 0 |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| DISCLOSURE OF OTHER REVENUE REPORTED ON LINE 406 | | | | | | | | | | | | | | | | | | | | | | | | |
| Itemization of Items Reported on Line 406 | | | | | | | | | | | | | | | | | | | | | | 0 | | 0 |
| Total Other Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | 0 |
| UNRELATED BUSINESS ACTIVITIES REPORTED | | | | | | | | | | | | | | | | | | | | | | | | |
| ON LINE 407 Itemization of Items Reported on Line 407 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Handard Busham Ashirka | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | | 0 0 0 | | 0 |
| Total Unrelated Business Activities | U | U | 0 | 0 | 0 | 0 | 0 | 0 | U | U | 0 | 0 | U | 0 | 0 | 0 | U | | U | 0 | 0 | 0 | 0 | 0 |
| DISCLOSURE OF ALL OTHER BEHAVIORAL | | | | | | | | | | | | | | | | | | | | | | | | |
| HEALTH SERVICES ON LINE 511 Encounter Withhold - Medical | 126,612 | 69,592 | 12,057 | | 11,622 | | 318,918 | 11,227 | | 2,408 | 711 | | 117,461 | 2,123 | | | | | | | | 672,731 | | 672,731 |
| | | | | | | | | | | | | | | | | | | | | | | 0 | | 0 |
| Total All Other Behavioral Health Services | 126,612 | 69,592 | 12,057 | 0 | 11,622 | 0 | 318,918 | 11,227 | 0 | 2,408 | 711 | 0 | 117,461 | 2,123 | 0 | 0 | U | | 0 | 0 | U | 672,731 | 0 | 672,731 |
| DISCLOSURE OF SERVICES EXPENSES FROM | | | | | | | | | | | | | | | | | | | | | | | | |
| NON ADHS SOURCES ON LINE 520 Itemization of Items Reported on Line 520 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Service Expenses Non-ADHS Sources | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Service Expenses Non-ADRS Sources | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | |
| DISCLOSURE OF ALL OTHER OPERATING ON LINE 607 | | | | | | | | | | | | | | | | | | | | | | | | |
| Itemization of Items Reported on Line 607 Telephone | 2,568 | 1,691 | 242 | 187 | 260 | 0 | 7,421 | 239 | 3,049 | 17 | 5 | 0 | 2,370 | 45 | 102 | 991 | 173 | | 0 | 40 | 0 | 19,400 | | 19,400 |
| Training Supplies | 5,370 6,632 | 3,536 4,367 | 505 624 | 390 482 | 543 671 | 0 | 15,520 19,167 | 500 618 | 6,377 7,875 | 36 45 | 11 13 | 0 | 4,957 6,121 | 94 116 | 213 263 | 2,073 2,560 | 362 447 | | 0 | 84 103 | 0 | 40,571 50,104 | | 40,571 50,104 |
| Repairs & Maintenance Postage | 6,637 2,365 | 4,370 1,557 | 625 222 | 482 172 | 671 239 | 0 | 19,182 6,834 | 618 220 | 7,881 2,808 | 45 16 | 13 5 | 0 | 6,126 2,183 | 116 41 | 263 94 | 2,562 913 | 447 159 | | 0 | 103 37 | 0 | 50,143 17,865 | | 50,143 17,865 |
| Office Moving Expense Promotional | 19,024 6,997 | 12,528 4,607 | 1,790 658 | 1,382 508 | 1,925 708 | 0 | 54,985 20,222 | 1,772 652 | 22,591 8,309 | 129 48 | 38 14 | 0 | 17,560 6,458 | 332 122 6 | 754 277 | 7,345 2,701 | 1,281 471 | | 0 | 296 109 | 0 | 143,734 52,863 | | 143,734 52,863 |
| Licenses and Regulatory Fees Insurance & Bank Charges Other Expense | 339 23 30,613 | 223 15 20,159 | 32 2 2,881 | 25 2 2,224 | 34 2 3,097 | 0 | 979 65 88,479 | 32 2 2,852 | 402 27 36,353 | 0 208 | 0 61 | 0 | 313 21 28,258 | 0 535 | 13 1 1,214 | 131 9 11,819 | 23 2 2,062 | | 0 | 0 476 | 0 | 2,560 171 231,291 | | 2,560 171 231,291 |
| SBU Allocation Corporate Allocations | 28,117 204,361 | 18,515 134,572 | 2,646 19,230 | 2,042 14,845 | 2,845 20,676 | 0 | 81,264 590,647 | 2,619 19,038 | 33,389 242,679 | 191 1,388 | 56 410 | 0 | 25,953 188,635 | 491 3,571 | 1,115 8,105 | 10,856 78,901 | 1,894 13,764 | | 0 : | 437 3,178 | 0 | 212,431 1,543,998 | | 212,431 1,543,998 |
| Encounter Withhold - Admin | 10,266 | 5,643 | 978 | 0 | 942 | 0 | 25,858 | 910 | 0 | 195 | 58 | 0 | 9,524 | 172 | 0 | 0 | 0 | | 0 | 0 | 0 | 54,546 | | 54,546 |
| Total All Other Operating | 323,311 | 211,783 | 30,434 | 22,740 | 32,614 | 0 | 930,625 | 30,073 | 371,741 | 2,321 | 685 | 0 | 298,479 | 5,642 | 12,415 | 120,862 | 21,085 | - | 0 4 | 4,868 | 0 | 0 2,419,677 | 0 | 2,419,677 |
| DISCLOSURE OF NON-ADHS ADMINISTRATIVE | | | | | | | | | | | | | | | | | | | | | | | | |
| EXPENSES ON LINE 650 Itemization of Items Reported on Line 650 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Non-ADHS Admin. Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | n | 0 | 0 | 0 | 0 | 0 |
| = | 0 | U | U | U | U | U | U | U | U | U | U | U | U | U | U | U | 0 | | ~ | U | U | U | 0 | 0 |
| DISCLOSURE OF UNRELATED ADMINISTRATIVE EXPENSES ON LINE 651 Itemization of Items Reported on Line 651 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | ^ | | | ^ | ^ | | | | | 0 | | ^ | 0 | | 0 |
| Total Unrelated Administrative Expenses | 0 | U | U | U | U | U | U | U | U | U | U | U | U | U | U | U | 0 | - | U | U | U | U | 0 | 0 |
| DISCLOSURE OF UNRELATED BUSINESS EXPENSES LINE 701 | | | | | | | | | | | | | | | | | | | | | | | | |
| Itemization of Items Reported on Line 701 | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Unrelated Business Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | n | 0 |
| ======================================= | 0 | <u> </u> | <u> </u> | | - | | <u> </u> | | | | • | | • | | | | 0 | ' | • | | | | | - |

PROGRAM

MAGELLAN STATEMENT OF ACTIVITIES YEAR TO DATE AS OF: Schedule A Disclosure

September 30, 2007

| | | | | | | | | | | | | | | | | | | | | | PROGRAM | |
|--------------------|------------|-----------|---------------|-----------|------------|--------------|----------|-----------------------------|-------------|------------|------------|------------|-------------|--------|-----------|--------------|-------|----------|-------|-----------|-------------|-------|
| | | | | NTXIX/XXI | | | | | | | | | | MENTAL | SUBSTANCE | PREVENTION | | | | | ADMIN/MGMT/ | |
| | TXIX CHILD | TXIX CMDP | TXIX DD CHILD | CHILD | TXXI CHILD | HB2003 CHILD | TXIX SMI | TXIX DD ADULT NTXIX/XXI SMI | HIFA II SMI | TXXI ADULT | SSDI - TMC | TXIX GMHSA | HIFA II GMH | HEALTH | ABUSE | INTERVENTION | PASRR | ADHS DOC | OTHER | SUB TOTAL | GEN | TOTAL |
| <u>ADJUSTMENTS</u> | | | | | | | | | | | | | | | | | | | | | | |

(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

Analysis:

*DISCLOSE ON SCHEDULE A

| *DISCLO | E ON SCHEDULE A | | | | | | | | | | | | | | | | | | | | | | PROGRAM | |
|--------------------|---|--------------------|-------------------|-------------------|------------------|------------------|--------------|----------------------|------------------|--------------------|----------------|-------------|------------|--------------------|-----------------|------------------|-------------------|-------------------------|-------|----------|-------|----------------------------|---------------------|------------------------|
| | | TXIX CHILD | TXIX CMDP T | FXIX DD CHILD NT) | XIX/XXI CHILD 1 | TXXI CHILD | HB2003 CHILD | TXIX SMI | TXIX DD ADULT | NTXIX/XXI SMI | HIFA II SMI | TXXI ADULT | SSDI - TMC | TXIX GMHSA | HIFA II GMH | MENTAL HEALTH | | PREVENTION INTERVENTION | PASRR | ADHS DOC | OTHER | SUB TOTAL | ADMIN & MGMT/GEN | TOTAL |
| REVEN | IES | | | | | | | | | | | | | | | | | | | | | | | |
| | Revenue Under ADHS Contract | | | | | | | | | | | | | | | | | | | | | | | |
| a b | ADHS Revenue ADHS Revenue - Qualifying Incentive Payments | 7,745,206 0 | 3,891,456 0 | 533,442 0 | 578,696 0 | 679,140 0 | 0 | 18,744,518 0 | 553,135 0 | 6,812,036 0 | 106,107 0 | 20,084 | 0 | 6,864,054 0 | 119,057 0 | 193,006 0 | 1,878,928 0 | 492,676 0 | (| 166,250 | | 0 49,377,792 0 0 | 0 | 49,377,792 0 |
| 402 403 | Specialty & Other Grants* Client Fees (Co-pays) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 | | 0 0 | 0 | 0 |
| 404 | Third Party Recoveries | 0 | 0 | 0 | U | 0 | 0 | U | U | 0 | U | U | 0 | 0 | U | 0 | U | U | , | , , | | 0 0 | U | Ü |
| a b | Medicare | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 | | 0 0 | 0 | 0 |
| 405 | Other Insurance Interest Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 | | 0 0 | 161,328 | 161,328 |
| 406 407 | Other Funding Sources - Non ADHS* Unrelated Business Activities* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 | | 0 0 | 0 | 0 |
| 408 | TOTAL REVENUE | 7,745,206 | 3,891,456 | 533,442 | 578,696 | 679,140 | 0 | 18,744,518 | 553,135 | 6,812,036 | 106,107 | 20,084 | 0 | 6,864,054 | 119,057 | 193,006 | 1,878,928 | 492,676 | (| 166,250 | | 0 49,377,792 | 161,328 | 49,539,120 |
| EXPEN Service I | | | | | | | | | | | | | | | | | | | | | | | | |
| | Treatment Services | | | | | | | | | | | | | | | | | | | | | | | |
| | Counseling Counseling, Individual | 233,991 | 128,612 | 22,282 | 18,862 | 26,622 | 0 | 787,546 | 27,724 | 278,448 | 2,239 | 661 | 0 | 167,291 | 2,127 | 8,418 | 81,953 | 0 | 0 | 0 | (| 0 1,786,780 | 0 | 1,786,780 |
| 2 | Counseling, Family Counseling, Group | 150,514 151,687 | 82,729 83,374 | 14,333 14,445 | 12,133 12,228 | 17,125 17,258 | 0 | 506,585 510,534 | 17,834 17,973 | 179,110 180,506 | 1,441 1,452 | 425 429 | 0 | 107,609 108,448 | 1,368 1,379 | 5,415 5,457 | 52,716 53,127 | 0 | 0 | 0 | (| 0 1,149,336 0 1,158,296 | 0 | 1,149,336 1,158,296 |
| ь | Consultation, Assessment & Specialized Testing | 227,414 | 124,997 | 21,656 | 18,332 | 25,874 | ō | 765,408 | 26,945 | 270,621 | 2,176 | 643 | 0 | 162,589 | 2,068 | 8,182 | 79,649 | ō | 0 | ō | (| 0 1,736,552 | 0 | 1,736,552 |
| c d | Other Professional Total Treatment Services | 12,106 775,712 | 6,654 426,365 | 1,153 73,869 | 976 62,531 | 1,377 88,256 | 0 | 40,744 2,610,817 | 1,434 91,910 | 14,406 923,091 | 7,424 | 34 2,192 | 0 | 8,655 554,593 | 7,053 | 436 27,908 | 4,240 271,685 | 0 | 0 | 0 | (| 0 92,440 0 5,923,404 | 0 | 92,440 5,923,404 |
| 502 | Rehabilitation Services | | | | | | | | | | | | | | | | | _ | _ | | | | | |
| a b | Living Skills Training Cognitive Rehabilitation | 331,599 53 | 182,261 29 | 31,577 5 | 26,730 4 | 37,727 6 | 0 | 1,116,065 178 | 39,289 6 | 394,600 63 | 3,174 1 | 937 0 | 0 | 237,076 38 | 3,015 0 | 11,930 2 | 116,139 19 | 0 | 0 | 0 | (| 0 404 | 0 | 2,532,121 404 |
| c d | Health Promotion Supported Employment Services | 17,061 125,810 | 9,377 69,151 | 1,625 11,980 | 1,375 10,142 | 1,941 14,314 | 0 | 57,421 423,440 | 2,021 14,907 | 20,302 149,713 | 163 1,204 | 48 355 | 0 | 12,197 89.948 | 155 1.144 | 614 4.526 | 5,975 44,064 | 0 | 0 | 0 | (| 0 130,276 0 960,697 | 0 | 130,276 960,697 |
| e | Total Rehabilitation Services | 474,523 | 260,818 | 45,187 | 38,252 | 53,989 | 0 | 1,597,104 | 56,224 | 564,678 | 4,541 | 1,341 | 0 | 339,258 | 4,314 | 17,072 | 166,196 | 0 | 0 | 0 | (| | 0 | 3,623,498 |
| 503 a | Medical Services Medication Services | 65,486 | 35,994 | 6,236 | 5,279 | 7,451 | 0 | 220,408 | 7,759 | 77,928 | 627 | 185 | 0 | 46,819 | 595 | 2,356 | 22,936 | 0 | n | 0 | (| 0 500,059 | 0 | 500,059 |
| ь | Medical Management Laboratory, Radiology & Medical Imagin | 219,933 23,190 | 120,885 12,746 | 20,943 2,208 | 17,729 1,869 | 25,023 2,638 | 0 | 740,230 78,051 | 26,059 2,748 | 261,718 27,596 | 2,105 222 | 621 66 | 0 | 157,240 16,580 | 2,000 211 | 7,913 834 | 77,029 8,122 | 0 | 0 | 0 | Ġ | 0 1,679,428 0 177,083 | 0 | 1,679,428 177,083 |
| d | Electro-Convulsive Therapy | 2,495 | 1,371 | 238 | 201 | 284 | 0 | 8,397 | 296 | 2,969 | 24 | 7 | 0 | 1,784 | 23 | 90 | 874 | 0 | 0 | 0 | (| 0 19,051 | 0 | 19,051 |
| e | Total Medical Services | 311,104 | 170,997 | 29,625 | 25,078 | 35,396 | 0 | 1,047,086 | 36,861 | 370,212 | 2,977 | 879 | 0 | 222,423 | 2,828 | 11,193 | 108,961 | 0 | 0 | 0 | (| 0 2,375,621 | 0 | 2,375,621 |
| 504 a | Support Services Case Management | 1,470,923 | 808,484 | 140,071 | 118,572 | 167,354 | 0 | 4,950,693 | 174,282 | 1,750,386 | 14,078 | 4,157 | 0 | 1,051,631 | 13,373 | 52,919 | 515,175 | 0 | 0 | 0 | (| 0 11,232,097 | 0 | 11,232,097 |
| b | Personal Assistance Family Support | 325,655 113,265 | 178,994 62,256 | 31,011 10,786 | 26,251 9,316 | 37,051 13,461 | 0 | 1,096,059 255,670 | 38,585 9,000 | 387,527 90,396 | 3,117 727 | 920 215 | 0 | 232,826 54,310 | 2,961 691 | 11,716 2,733 | 114,057 26,605 | 0 | 0 | 0 | (| 0 2,486,731 0 649,430 | 0 | 2,486,731 649,430 |
| d | Peer Support | 97,273 | 53,465 | 9,263 | 7,841 | 11,067 | 0 | 327,392 | 11,525 | 115,754 8.384 | 931 | 275 | 0 | 69,545 | 884 | 3,500 289 | 34,069 | 0 | 0 | 0 | Č | 0 742,784 | 0 | 742,784 |
| e f | Therapeutic Foster Care Services Respite Care | 638,599 35,891 | 351,002 19,727 | 60,812 3,418 | 6,170 2,893 | 4,083 | 0 | 50,734 120,797 | 1,786 4,252 | 8,384 42,709 | 343 | 101 | 0 | 15,616 25,660 | 326 | 1,291 | 2,816 12,570 | 0 | 0 | 0 | (| 0 1,136,209 0 274,063 | 0 | 1,136,209 274,063 |
| g h | Housing Support Interpreter Services | 0 7,309 | 0 4,017 | 0 696 | 0 589 | 0 832 | 0 | 0 24,600 | 0 866 | 435,505 8,698 | 0 70 | 0 21 | 0 | 0 5,226 | 0 66 | 0 263 | 0 2,560 | 0 | 0 | 0 | (| 0 435,505 0 55,813 | 0 | 435,505 55,813 |
| ! | Flex Fund Services Transportation | 1,600 | 0 879 | 0 152 | 0 | 0 85 | 0 | 0 267,274 | 0 9.409 | 25,805 67,468 | 0 23 | 0 | 0 | 0 11.988 | 0 18 | 0 120 | 0 1.166 | 0 | 0 | 0 | (| 0 25,805 0 360,191 | 0 | 25,805 360,191 |
| k | Block Purchase NTXIX Consumer Drop In Cente | 20,228 | 11,118 | 1,926 | 1,631 | 2,301 | 0 | 68,082 | 2,397 | 24,071 | 194 | 57 | 0 | 14,462 | 184 | 728 | 7,085 | 0 | 0 | 0 | (| 0 154,463 | 0 | 154,463 |
| 505 | Total Support Services Crisis Intervention Services | 2,710,744 | 1,489,943 | 258,135 | 173,264 | 236,234 | 0 | 7,161,300 | 252,103 | 2,956,703 | 19,483 | 5,753 | 0 | 1,481,263 | 18,504 | 73,559 | 716,103 | 0 | 0 | 0 | (| 0 17,553,091 | 0 | 17,553,091 |
| a | Crisis Intervention - Mobile | 98,424 | 54,098 | 9,373 | 12,758 | 7,902 | 0 | 398,869 | 14,042 | 117,990 | 1,896 | 560 | 0 | 210,739 | 11,248 | 10,858 | 105,705 | 0 | 0 | 0 | (| | 0 | 1,054,461 |
| b c | Crisis Services Crisis Phones | 137,727 45,980 | 75,701 25,273 | 13,115 4,379 | 17,853 5,960 | 11,057 3,692 | 0 | 558,145 186,337 | 19,649 6,560 | 165,105 55,120 | 2,653 886 | 783 261 | 0 | 294,891 98,450 | 15,739 5,255 | 15,194 5,073 | 147,915 49,382 | 0 | 0 | 0 | (| 0 1,475,528 0 492,606 | 0 | 1,475,528 492,606 |
| d | Total Crisis Intervention Services | 282,132 | 155,072 | 26,866 | 36,571 | 22,651 | 0 | 1,143,352 | 40,250 | 338,215 | 5,434 | 1,604 | 0 | 604,079 | 32,242 | 31,125 | 303,002 | 0 | 0 | 0 | (| 0 3,022,595 | 0 | 3,022,595 |
| 506 a | Inpatient Services Hospital | | | | | | | | | | | | | | | | | | | | | | | |
| | Psychiatric (Provider Types 02 & 71 Detoxification (Provider Types 02 & 71 | 200,283 2.955 | 110,084 1,624 | 19,072 281 | 25,272 0 | 15,104 0 | 0 | 936,681 14,867 | 32,974 523 | 390,258 | 0 | 0 | 0 | 710,763 55,254 | 0 | 64,110 1,099 | 624,116 10,695 | 0 | 0 | 0 | (| , ., | 0 | 3,128,717 87,297 |
| b | Sub acute Facility | 2,855 | 1,024 | | | | | | | | | | | | | 1,000 | 10,033 | | | | | | | |
| 1 2 | Psychiatric (Provider Types B5 & B6 Detoxification (Provider Types B5 & B6) | 0 | 0 | 0 | 0 | 0 | 0 | 5,842 0 | 206 0 | 0 | 0 | 0 | 0 | 15,633 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 21,681 0 0 | 0 | 21,681 0 |
| С | Residential Treatment Center (RTC) Psychiatric - Secure & Non-Secure Provider Types | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 78,B1,B2,B3) | 759,156 | 417,265 | 72,292 | 86,977 | 52,760 | 0 | 125,180 | 4,407 | 7,389 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 1,525,427 | 0 | 1,525,427 |
| | Detoxification - Secure & Non-Secure (Provider Type: [78,B1,B2,B3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (| 0 0 | 0 | 0 |
| d e | Inpatient Services, Professional Total Inpatient Services | 962,393 | 528,973 | 91,646 | 112,249 | 67,864 | 0 | 1,082,570 | 38,110 | 397,647 | 0 | 0 | 0 | 781,650 | 0 | 65,209 | 634,811 | 0 | 0 | 0 | (| 0 0 0 4,763,122 | 0 | 4,763,122 |
| 507 | Residential Services | | | | | | | | | | | | | | | | | | | | | | | |
| a b | Level II Behavioral Health Residential Facilitie Level III Behavioral Health Residential Facilitie | 198,923 26,514 | 109,337 14,573 | 18,943 2,525 | 0 | 0 | 0 | 1,215,640 162,032 | 42,795 5,704 | 310,330 41,364 | 0 | 0 | 0 | 512,743 68,343 | 928 124 | 16,115 2,148 | 156,884 20,911 | 0 | 0 | 0 | (| 0 2,582,639 0 344,239 | 0 | 2,582,639 344,239 |
| c d | Room and Board Total Residential Services | 27,297 252,734 | 15,003 138,914 | 2,599 24,067 | 0 | 0 | 0 | 166,812 1,544,485 | 5,872 54,371 | 42,584 394,278 | 0 | 0 | 0 | 70,359 651,446 | 127 1,179 | 2,211 20,475 | 21,528 199,323 | 0 | 0 | 0 | | 0 354,394 0 3,281,272 | 0 | 354,394 3,281,272 |
| 508 | Behavioral Health Day Program | 202,104 | .30,814 | 24,007 | · · | 3 | 3 | .,544,405 | 54,57 1 | 554,270 | Ü | v | 0 | 331,440 | 1,170 | 20,473 | 100,023 | v | U | 0 | , | - 0,201,212 | J | 0,201,212 |
| a b | Supervised Day Program | 24,228 79,327 | 13,317 43,602 | 2,307 7,554 | 1,953 6,395 | 2,757 | 0 | 81,544 266,992 | 2,871 9,399 | 28,831 94,399 | 232 759 | 68 | 0 | 17,322 56,715 | 220 721 | 872 | 8,486 | 0 | 0 | 0 | Ç | 0 185,006 0 605,749 | 0 | 185,006 605,749 |
| c | Therapeutic Day Program Medical Day Program | 187 | 103 | 18 | 15 | 9,025 21 | 0 | 630 | 22 | 223 | 2 | 224 | 0 | 134 | 2 | 2,854 | 27,783 66 | 0 | 0 | 0 | (| 0 1,430 | 0 | 1,430 |
| | Total Behavioral Health Day Program | 103,742 | 57,021 | 9,879 | 8,363 | 11,803 | 0 | 349,166 | 12,292 | 123,452 | 993 | 293 | 0 | 74,170 | 943 | 3,732 | 36,335 | 0 | 0 | 0 | (| 0 792,185 | 0 | 792,185 |
| 509 a | Prevention Services Prevention | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 429,000 | 0 | 0 | (| 0 429,000 | 0 | 429,000 |
| | HIV Total Prevention Services | 0 | 0 | 0 | 0 | 0 | 0 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0 | 429,000 | 0 | 0 | (| 0 0 0 429,000 | 0 | 429,000 |
| 510 | Medication | , | - | - | - | - | , | , | - | | - | - | · · | - | - | , | , | , | · · | v | ` | | , | |
| | Medication Expense Less Pharmacy Rebate Receivec | 369,661 0 | 896,530 0 | 28,004 0 | 6,367 0 | 116,586 0 | 0 | 1,554,013 0 | 0 | 1,495,339 0 | 0 | 0 | 0 | 1,052,884 | 42,108 0 | 2,331 0 | 22,696 0 | 0 | 0 | 0 | (| 0 5,586,519 0 0 | 0 | 5,586,519 0 |
| С | Pharmacy Rebate Related Expense Total Medication Services | 369.661 | 0 896.530 | 28.004 | 6.367 | 116,586 | 0 | 1.554.013 | 0 | 1,495,339 | 0 | 0 | 0 | 1.052.884 | 0 42.108 | 2,331 | 22,696 | 0 | 0 | 0 | Š | 0 0 | 0 | 5,586,519 |
| d 511 | Other ADHS Service Expenses Not Rpt'd Above* | 369,661 126,612 | 896,530 69,592 | 28,004 12,057 | 0,307 | 116,586 | 0 | 1,554,013 318,918 | 11,227 | 1,495,339 | 2,408 | 0 711 | 0 | 1,052,884 | 42,108 2,123 | 2,331 | 22,096 N | 0 | 0 | 0 | (| 0 5,586,519 | 0 | 672,731 |
| 512 | ADHS/DOC COOL | 0 | 0 | 0 | 0 462 675 | 0 | 0 | 0 | 0 | 7 502 645 | 0 | 12,773 | 0 | 0 | 0 | 0 | 2,450,440 | 420.000 | 0 | 99,042 | Č | 0 99,042 | 0 | 99,042 |
| 513 520 | Subtotal ADHS Service Expenses Service Expenses from Non ADHS Sources* | 6,369,357 0 | 4,194,225 0 | 599,335 0 | 462,675 0 | 644,401 0 | 0 | 18,408,811 0 | 593,348 0 | 7,563,615 0 | 43,260 0 | 12,773 | 0 | 5,879,227 0 | 111,294 0 | 252,604 0 | 2,459,112 | 429,000 0 | 0 | 99,042 | (| 0 48,122,080 0 0 | 0 | 48,122,080 0 |
| | Total Service Expense | 6,369,357 | 4,194,225 | 599,335 | 462,675 | 644,401 | 0 | 18,408,811 | 593,348 | 7,563,615 | 43,260 | 12,773 | 0 | 5,879,227 | 111,294 | 252,604 | 2,459,112 | 429,000 | 0 | 99,042 | (| 0 48,122,080 | 0 | 48,122,080 |
| - | | | | | | | | | | | | | | | | | | | | | | | | |

MAGELLAN STATEMENT OF ACTIVITIES YEAR TO DATE AS OF:

September 30, 2007

*DISCLOSE ON SCHEDULE A

| *DISCI | LOSE ON SCHEDULE A | | | | | | | | | | | | | | | | | | | | | | PROGRAM | |
|--------|---------------------------------------|------------|-----------|-----------------|----------------|------------|--------------|------------|---------------|---------------|-------------|------------|------------|------------|-------------|------------------|--------------------|-------------------------|-------|----------|-------|-------------|---------------------|-------------|
| | | TXIX CHILD | TXIX CMDP | TXIX DD CHILD N | TXIX/XXI CHILD | TXXI CHILD | HB2003 CHILD | TXIX SMI | TXIX DD ADULT | NTXIX/XXI SMI | HIFA II SMI | TXXI ADULT | SSDI - TMC | TXIX GMHSA | HIFA II GMH | MENTAL HEALTH | SUBSTANCE ABUSE | PREVENTION INTERVENTION | PASRR | ADHS DOC | OTHER | SUB TOTAL | ADMIN & MGMT/GEN | TOTAL |
| Admin | istrative Expenses: | | | | | | | | | | | | | | | | | | | | | | | |
| 601 | Salaries | 195,264 | 128,581 | 18,374 | 14,184 | 19,755 | 0 | 564,354 | | 231,876 | 1,326 | 392 | 0 | 180,238 | 3,412 | 7,744 | 75,388 | | 0 | 3,036 | 0 | 1,475,265 | 0 | 1,475,265 |
| 602 | Employee Benefits | 58,468 | 38,501 | 5,502 | 4,247 | 5,915 | 0 | 168,985 | 5,447 | 69,431 | 397 | 117 | 0 | 53,969 | 1,022 | 2,319 | 22,574 | | 0 | 909 | 0 | 441,740 | 0 | 441,740 |
| 603 | Professional & Outside Services | 225,282 | 148,349 | 21,198 | 16,365 | 22,792 | 0 | 651,114 | 20,987 | 267,523 | 1,530 | 452 | 0 | 207,947 | 3,936 | 8,935 | 86,978 | 15,174 | 0 | 3,503 | 0 | 1,702,064 | 0 | 1,702,064 |
| 604 | Travel | 59,112 | 38,925 | | 4,294 | 5,980 | 0 | 170,846 | 5,507 | 70,196 | 401 | 119 | 0 | 54,563 | 1,033 | 2,344 | 22,822 | | 0 | 919 | 0 | 446,606 | 0 | 446,606 |
| 605 | Occupancy | 5,145 | 3,388 | 484 | 374 | 521 | 0 | 14,870 | 479 | 6,110 | 35 | 10 | 0 | 4,749 | 90 | 204 | 1,986 | | 0 | 80 | 0 | 38,872 | 0 | 38,872 |
| 606 | Depreciation | 7,040 | 4,636 | | 511 | 712 | 0 | 20,348 | 656 | 8,360 | 48 | 14 | 0 | 6,498 | 123 | 279 | 2,718 | | 0 | 109 | 0 | 53,190 | 0 | 53,190 |
| 607 | All Other Operating* | 320,264 | 210,894 | | 23,264 | 32,402 | 0 | 925,633 | 29,835 | 380,314 | 2,175 | 642 | 0 | 295,620 | 5,596 | 12,701 | 123,649 | | 0 | 4,980 | 0 | 2,419,677 | 0 | 2,419,677 |
| 608 | Subtotal ADHS Administrative Expenses | 870,575 | 573,274 | 81,918 | 63,239 | 88,078 | 0 | 2,516,150 | 81,100 | 1,033,809 | 5,913 | 1,746 | 0 | 803,583 | 15,212 | 34,526 | 336,116 | 58,637 | 0 | 13,537 | 0 | 6,577,414 | 0 | 6,577,414 |
| 650 | Non ADHS Administrative Expenses* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 651 | Unrelated Admin. Expense* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 652 | Subtotal Administrative Expense | 870,575 | 573,274 | 81,918 | 63,239 | 88,078 | 0 | 2,516,150 | 81,100 | 1,033,809 | 5,913 | 1,746 | 0 | 803,583 | 15,212 | 34,526 | 336,116 | 58,637 | 0 | 13,537 | 0 | 6,577,414 | 0 | 6,577,414 |
| 701 | Unrelated Business Expenses* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 790 | Income Tax Provisions | | | | | | | | | | | | | | | | | | | | | | | |
| а | ADHS Income Tax Provision | 212,053 | (367,658 | (62,033) | 22,152 | (22,385) | 0 | (915,088 | (50,913) | (749,292) | 23,894 | 2,336 | 0 | 76,064 | (3,126) | (39,502) | (384,553 |) 2,115 | 0 | 22,525 | 0 | (2,233,411) | 0 | (2,233,411) |
| b | Non ADHS Income Tax Provision | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67,706 | 67,706 |
| 799 | Subtotal Income Tax Provision | 212,053 | (367,658 | (62,033) | 22,152 | (22,385) | 0 | (915,088 | (50,913) | (749,292) | 23,894 | 2,336 | 0 | 76,064 | (3,126) | (39,502) | (384,553 |) 2,115 | 0 | 22,525 | 0 | (2,233,411) | 67,706 | (2,165,705) |
| 800 | TOTAL EXPENSES | 7,451,985 | 4,399,841 | 619,220 | 548,066 | 710,094 | 0 | 20,009,873 | 623,535 | 7,848,132 | 73,067 | 16,855 | 0 | 6,758,874 | 123,380 | 247,628 | 2,410,675 | 489,752 | 0 | 135,104 | 0 | 52,466,083 | 67,706 | 52,533,789 |
| 801 | INC/(DEC) IN NET ASSETS/EQUITY | 293,221 | (508.385 | (85,778) | 30.630 | (30,954) | 0 | (1,265,355 | (70,400) | (1,036,096) | 33,040 | 3,229 | 0 | 105.180 | (4,323) | (54,622) | (531,747 |) 2.924 | 0 | 31.146 | 0 | (3,088,291) | 93,622 | (2,994,669) |
| 50. | | LUU,LL 1 | (000,000 | , (00,110) | 00,000 | (00,004) | | ,.,200,000 | , (10,100) | (.,000,000) | 00,040 | U,EEU | | 100,100 | (4,020) | (O-1,0EE) | (001,141 | , 2,02-1 | | 01,140 | | (=,000,201) | 00,022 | (=,=04,000) |

MAGELLAN

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF: September 30, 2007

| * | Beginning Balance: Net Surplus / Net Earning for t Dividends Declared | July 1, 2007 the period ended: | September 30, 2007 |
|---|---|-----------------------------------|--------------------|
| | Prior Period Adjustments Ending Balance: | September 30, 2007 | |
| | | | |

| | | Retained | |
|-----------------|--------------------|----------------|---------------|
| Initial Capital | Additional Capital | Earnings | Total |
| - | - | - | - |
| - | 15,000,100 | (2,994,669) | 12,005,431 |
| | - | | - |
| - | - | - | - |
| | | - | - |
| \$ - | \$ 15,000,100 | \$ (2,994,669) | \$ 12,005,431 |
| | | | |

Net Assets /

^{*} Net of dividends declared

^{**} Disclosure of Prior Period Adjustments

MAGELLAN

STATEMENT OF FINANCIAL POSITION

AS OF: September 30, 2007

Schedule A Disclosures

| ASSETS: | LIABILITIES: |
|---------|--------------|
|---------|--------------|

Cash IBNR Claims Estimate

Current Year Unrestricted 24,353,777 FY 07

Restricted 2,059,103 Prior Year(s)

Total Cash \$26,412,880 Total IBNR \$7,659,007

7,659,007

| | Program ID | Category ID | | Payable to ADHS (Detail of Lir Program ID | Category ID | |
|--------------|-------------------------------|-------------------|-----------|--|----------------------|--------|
| Current Year | | category .5 | - | Current Year | category 12 | |
| 04.707.1704. | TXIX Child | | 363,452 | TXIX Child | Profit/Risk Corridor | |
| | TXIX CMDP | | 1,299,208 | TXIX GMHSA | Profit/Risk Corridor | |
| | TXIX DD Child | | 26 | TXIX SMI | Profit/Risk Corridor | |
| | TXXI Child | | 47,788 | TXXI Adult | Profit/Risk Corridor | 79,55 |
| | NTXIX/XXI Child | | 125,000 | NTXIX/XXI Child | Profit/Risk Corridor | 77,58 |
| | HB2003 Child | | 67,263 | TXIX Child | Withhold | 225,14 |
| | TXIX SMI | | 2,177,097 | TXIX SMI | Withhold | 356,91 |
| | TXIX DD Adult | | 2,177,097 | TXIX GMHSA | Withhold | |
| | | | | | | 126,98 |
| | NTXIX/XXI SMI | | 4,104,164 | TXXI Adult | Withhold | 12,56 |
| | HIFA II SMI | | (19,537) | HIFA II GMH | Withhold | 3,37 |
| | TXXI Adult | | 2,078 | | | 2,29 |
| | TXIX GMHSA | | (85,673) | | | |
| | HIFA II GMH | | 27,922 | | | |
| | Mental Health | | 155,559 | | | |
| | Substance Abuse | | 936,299 | | | |
| | Prevention Intervention PASRR | | 241,382 | | | |
| | ADHS DOC | | 166,250 | | | |
| | Other | | 25,835 | | | |
| Prior Year | | | | Prior Year | | |
| rior rear | Select Program | Identify category | - | Select Program | Identify category | |
| | | , , , | | Total Payable to ADHS | _ | 884,41 |
| | | | | Total I ayable to Abilo | = | 004,41 |
| | or Unrelated Business | | | Deferred Revenue from: (Deta | | |
| Current Year | Travel Advances | | 800 | Program ID | Category ID | |
| | ABC Housing Receiv | | 3,372 | | | |
| | Hope Housing Recei | | 3,686 | | | |
| | Tax Benefit Receival | | 2,212,162 | | | |
| | Select Program | Identify category | - | ADHS | | |
| | Select Program | Identify category | - | Current Year | | |
| | Select Program | Identify category | - | Select Program | Identify category | |
| | | | | Select Program | Identify category | |
| | | | | Select Program | Identify category | |
| Prior Year | Identify Drawen | Identify Cotogony | | Prior Year | | |
| | Identify Program | Identify Category | | Identify Program | Identify Category | |
| | | | | Non-ADHS &/or Unrelated E | Rusiness | |
| | | | | Current Year | | |
| | | | | Identify Program | Identify Category | |
| | | | | Identify Program | Identify Category | |
| | | | | Prior Year | dentity Category | |
| Mowanaa fa- | Doubtful Assounts | | | | Identify Category | |
| anowance for | Doubtful Accounts | | - | Identify Program | Identify Category | |
| | | | | | | |
| | | | | | | |

Other Current Liabilities (Detail of Line 210)

Other Current Assets (Detail of Line 106) Start-up Costs for Maricopa Clinics 1,129,460 Consulting Expenses

1,266,230 Clinical Pharmacy Inventory 113,889 Telephone Expenses 35,000 Misc Expenses

| | | Intercompany Magellan Health Services | 27,439,930 |
|---|-------------|---|--------------|
| | | Total Other Current Liabilities | \$28,741,162 |
| Total Other Current Assets | \$1,243,349 | | |
| | | Loss Contingencies (Detail of Line 213) | |
| Other Noncurrent Assets (Detail of Line 120) | | Identify Loss Contingencies | - |
| Clinic Security Deposits | 307,971 | | |
| Utility Security Deposits | 131,072 | | |
| | | Total Loss Contingencies | \$0 |
| Total Other Noncurrent Assets | \$439,043 | | |
| | | Other Noncurrent Liabilities (Detail of Line 214) | |
| PERFORMANCE BOND: | | Maricopa Comcare Trust | 2,059,103 |
| Type of Security & Amount - | | · | |
| Safeco Insurance Company of America Bond | 36,000,000 | Total Other Noncurrent Liabilities | \$2,059,103 |
| | | | |
| Adjustments: | | Restricted Net Assets (Detail of Line 217) | |
| Disclose and describe any adjustments made to previously submitted | | Identify Restricted Net Assets | - |
| financial statements, including those that affect the current period financial statements | tements. | • | |
| | | Total Restricted Net Assets | \$0 |
| | | | |

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

MAGELLAN STATEMENT OF CASH FLOWS YEAR TO DATE FOR PERIOD ENDED: September 30, 2007 Schedule A Disclosure

| Describe: |
|---|
| Sources and amounts of cash received for other grants. |
| |
| |
| |
| 2. Underlying transactions for acquisition of debt.(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.) |
| |
| 3. Underlying transactions for retirement of debt. (Debtor, amount paid off.) |
| Cash Flows From Financing Activities - Payment of Other Debt |
| 5. Supplemental data or non-cash investing and financing activities, gifts, etc. |
| |
| |